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19 November 1974

MEMORANDUM FOR THE RECORD

SUBJECT: DCI's Remarks to Midcareer Course No. 43,
8 November 1974

1. Mr. Colby met with the members of Midcareer Course No. 43 from 1430 to 1545 on Friday, 8 November. Based on my observations of Mr. Colby's meetings with several other Midcareer classes in the past, I feel that, although Mr. Colby has always been very generous of his time, and has been forthcoming in his responses, he was in a much more relaxed mood with this group, and there was better rapport than I have seen in the past. Reasons that this was so are difficult to say, but one favorable factor may have been one of the written questions directed to Mr. Colby: "What can we do as mid-career executives to make your job easier?"

2. The Director varied his usual format in meeting with this group; usually, he has some prepared remarks that take about 15 minutes (perhaps 10 minutes this time), then he customarily goes through the written questions, ticking them off one by one, and finally he invites questions from the floor. This time, Mr. Colby invited the class members to ask further questions if any occurred to them while he was going through the list of written questions.

3. Mr. Colby opened his remarks by saying that he had read over the class members' questions and that he had distilled out of them several concerns, which he chose to paraphrase in several rhetorical questions that served to launch his discussion. Two of the questions were: "Is there a future in intelligence?" and "Are we going to survive as an Agency?"

4. A highly condensed summary of Mr. Colby's prepared remarks follows: We are adjusting to the aftermath of the Vietnam War and Watergate. The credibility gap must be bridged by solid information. This coincides with changes in the nature of intelligence collection methods and analysis away from the Mata Haris to technological collection and analysis. Further, he added, the nature of the political world is changing away from the old bipolarity of the giants to one where the smaller countries are no longer attached to one big power or the other. Among other significant changes, Mr. Colby mentioned that inflation has given us new

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collection, analysis, and production targets--but it has also given us new problems. He said, however, that the biggest change is in our responsiveness to Congressional direction and control. We must (stress is his) rest on public support--thus we try to respond to legitimate questions about our business; however, we will retain the necessary secrets. Mr. Colby added parenthetically that other nations' intelligence services are now beginning to feel similar pressures, and they are having to respond also. With regard to necessary secrets, Mr. Colby pointed out that one of our most urgent--protection of sources--is often well understood and appreciated by newsmen because of their similar positions with regard to their sources. To protect secrets, the Agency has taken various steps, including recommendation of legislation to control leakage of those that are essential. The Director then moved on to a discussion of the Agency's future, which he said will be determined by the quality of our work (which is held in good esteem). Mr. Colby said that our contributions have assisted the President and others in coping with the problems that he faces, and the fact that our contributions are objective and free of special pleading is much appreciated. Mr. Colby concluded by saying that the Agency has a good future.

5. Written questions. Proceeding from his prepared remarks to the written questions, Mr. Colby invited the members of the class to ask further questions from the floor in case his answers raised new questions. In reporting, the written question will be given first, followed by Mr. Colby's answer and any other questions and answers that ensued.

a. Are you satisfied with the results of your policy of a more public posture for the CIA?

Ans.: I'm not all that dissatisfied, although I am not satisfied. By talking and responding, you get a greater degree of interest and ill-informed interest. This has had its effects overseas, but I think it is temporary. I think the direction is essential.

Q.: How much internal objection have you been getting?

A.: One of the troubles with sitting in my seat is that you don't get much objection.

b. Do you expect the Agency to continue to manage large satellite collection systems?

Ans.: I would hope that the Agency doesn't manage large systems because one of the advantages of the Agency is its flexibility. The Agency pioneers better than it manages. Once a project gets to the point where it can be run, it should be transferred. We should use the high talent of this Agency in developing something new.

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c. Please clarify your position on Agency collection of foreign intelligence in the U.S.

Ans.: Mr. Nedzi is about to introduce a bill in the House making it clear that our function is foreign intelligence. This bill will also make clear what we do in the United States. [REDACTED], we conduct security investigations of our own prospective employees, we have proprietaries, and we engage in procurement of supplies for use overseas. [REDACTED] 25X1A

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[REDACTED]. We will stay out of future Watergates, internal security, or law enforcement activities. As a by-product, we may get security information, which we will pass to the proper agency. 25X1A

d. What are the chances that proposed legislation regarding protection of intelligence sources and methods will pass?

Ans.: Fair, because it will only apply to us, who are brought into the secrets, and not to newsmen.

Q.: What role do you see yourself playing in the drafting of official secrets legislation?

A.: I have taken a high profile--I have been the only one to have recommended it. I want to hold it to intelligence sources and methods, and avoid national security, which I think would be an endless process.

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f. Do you feel that your authority is commensurate with your responsibility as DCI?

Ans.: Yes. I do not have command authority over the other agencies. I am a staff officer to the President. As long as people know that I can go to the President and tell him things about them, I have all the authority I need.

g. CIA analysts are severely handicapped by the lack of cooperation from the U.S. Navy. What do you feel you can do as DCI to correct this situation?

Ans.: The situation has just been corrected. We have a new Director of Naval Intelligence. The Navy has learned new ways to compartment its information; the Navy has also waked up to the fact that it can get help from the Community.

h. To what degree does our intelligence product contribute to Mr. Kissinger's foreign policy planning and formulation?

Ans.: A great deal. The NSC uses our material very heavily, indeed. The whole SALT thing depends upon it.

i. As Director, you have made several changes in the Agency. Are you contemplating any further changes?

Ans.: If something comes up that needs it, I will take a look. New technology may force further changes. For example, regarding economic intelligence, we may have to question ourselves as to whether we are doing it right. If such examination calls for changes--fine. If not, fine, too.

j. Are you satisfied with the NIO system as it is currently functioning?

Ans.: Yes, I think it's been very helpful. I credit the NIO's with the spirit of collaboration we find. I don't know how anybody did his job before them. The NIO is a vehicle for getting across agency barriers.

k. Will inflation plus stringent OMB fiscal policies require continuing personnel and program reductions in the Agency? If so, please project the extent of reductions through 1980.

Ans.: I do project a further gradual personnel reduction. Partly, I do this because if I didn't, and later had to reduce, people would feel betrayed. We will do this through normal retirements, normal departures, and from the bottom 5%. I doubt that we are going to be able to compensate for inflation in scaling down our programs--thus, we will have less real dollars.

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1. Are you happy with the organization and effectiveness of the IC Staff? Does the current military cast of the Staff allow unbiased civilian control of intelligence?

Ans.: I have insisted that the IC Staff be headed by a military officer because the military is so much involved in intelligence activity. The IC Staff must have a military component of some size to keep the military satisfied.

m. Despite your strong emphasis on HEO, why has there been so little progress in this area? Should there not be more than just two officers working on the program?

Ans.: There has been some progress in the last few months. We have moved our percentage of blacks upward imperceptibly. A large HEO staff will not solve the problem, nor will tokenism. We, ourselves, must bring blacks and women in. Including this in the Annual Personnel Plan is the means for implementing the upward mobility.

Q.: Do you think the Agency has taken a close enough look at how well we have done by blacks?

A.: We are doing better, but not well enough by blacks; we are doing worse by women.

Q.: Are the recruiters doing a good job?

A.: The recruiters are doing a good job, but the pressure is really on all of us to bring good, qualified blacks into the organization.

n. What would you wish your successor to inherit as the major accomplishments of the Colby directorship? What major continuing problems is he likely to confront?

Ans.: He's going to confront the management problem, but the largest problem is the continuing intelligence problem. I don't visualize any particular monuments.

o. What can we do as mid-career executives to make your job easier?

Ans.: The greatest contribution is communication (Mr. Colby's emphasis), not passing papers, but real human communication, both down and up. Middle level management can really make the difference.

Q.: Do you feel that there are too many groups at the top of the intelligence hierarchy--e.g., USIB, NSCIC, IRAC, etc.?

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A.: There are a great many groups; the reason for some is historical; there is some overlap. As long as we have communication we are all right. I am not concerned as long as we communicate properly with one another.

6. Mr. Colby then closed the meeting by wishing the members of the class success with "the remaining halves of your careers."

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Mr. Colby's Remarks to Midcareer Course 44 on
13 November 1974

Mr. Colby opened Midcareer Course 44 by welcoming all members to the course. He hoped that the last half of their career would be as beneficial as was the first. Mr. Colby asked all of the class members to look at the Agency from the outside and see how the Agency fits into the outside world while in the course. This will stimulate you as individuals and give you a chance to see where we should go in the Agency and how to do it. With Watergate and Chile, we have found that we have little time to focus on the Agency itself; we need the talents of individuals like yourselves along with your experience to give the Agency a little direction. Your ideas might take awhile to be implemented but, if they are good and sound, implementation will take place.

Mr. Colby stated that knowledge of the management of the Agency was important for an understanding of the decision-making process. Management devices such as MBO, PDP, APP, all boil down to communication of what is important and provide a base for auditing results once the decisions are made. Leave the individual alone for awhile then, after a period of time ask him how he has done. Mr. Colby said that this is what he calls the post audit system of management. The machinery runs very well by itself, so don't muck around with it.

Mr. Colby said that the main part of intelligence is the product and the substance, not the management style. This is what you as individuals should get out of this course. He also said that this was the driving force behind intelligence and our institution.

One of our main subjects in intelligence today is that of economics; it used to be counterinsurgency several years ago, but not now. Mr. Colby stressed the importance of economic intelligence collection, both overtly and covertly.

Mr. Colby asked the class members to let the substance of intelligence drive their interest during the course, so that it's in the best interest of the President, Congress and most of all the country.

Mr. Colby said that we have added a new image to both the Agency and intelligence, that being the engineer. The engineer has taken his place along side the spy. Sure we have spies and we will probably always have them, but its the new image that we have added that is important. The intellectual aspect of intelligence is where we are today,

and being able to interrelate them is what's important. Adding these new changes and images as well as new techniques into intelligence to better broaden ourselves is what is important.

Mr. Colby also stated that we were opening up our relationship with the American public so that the public may better understand us. That is one of the reasons for his being more open, "we need the public's support." Mr. Colby said that we were also having problems keeping some of our secrets, and that he was trying to introduce new laws in the Congress to change some of this, especially the protection of sources and methods. He said that the President backs the Agency 100 percent as far as covert action is concerned, and Congress reaffirmed its support for covert action in recent voting on specific pieces of legislation.

Mr. Colby stated that as far as leaks were concerned, he only knew of one leak from the Hill thus far and that the real leaks were coming from the Executive Branch of the Government.

The following are selected questions and responses from Mr. Colby's opening remarks:

Will economic intelligence play an important part in the future?

Most definitely. Look at the economic effects of petroleum and food products. If we can help solve the economic problem, we can help solve the political situation. This sort of problem-solving can avert wars. We must develop a pattern in economic intelligence on how we can better use it. There may be discreet ways to conduct covert action to defuse potential economic disasters. By laying out the economic intelligence facts, we may be able to defuse a hostile situation between two countries.

Are we doing anything to improve our public image?

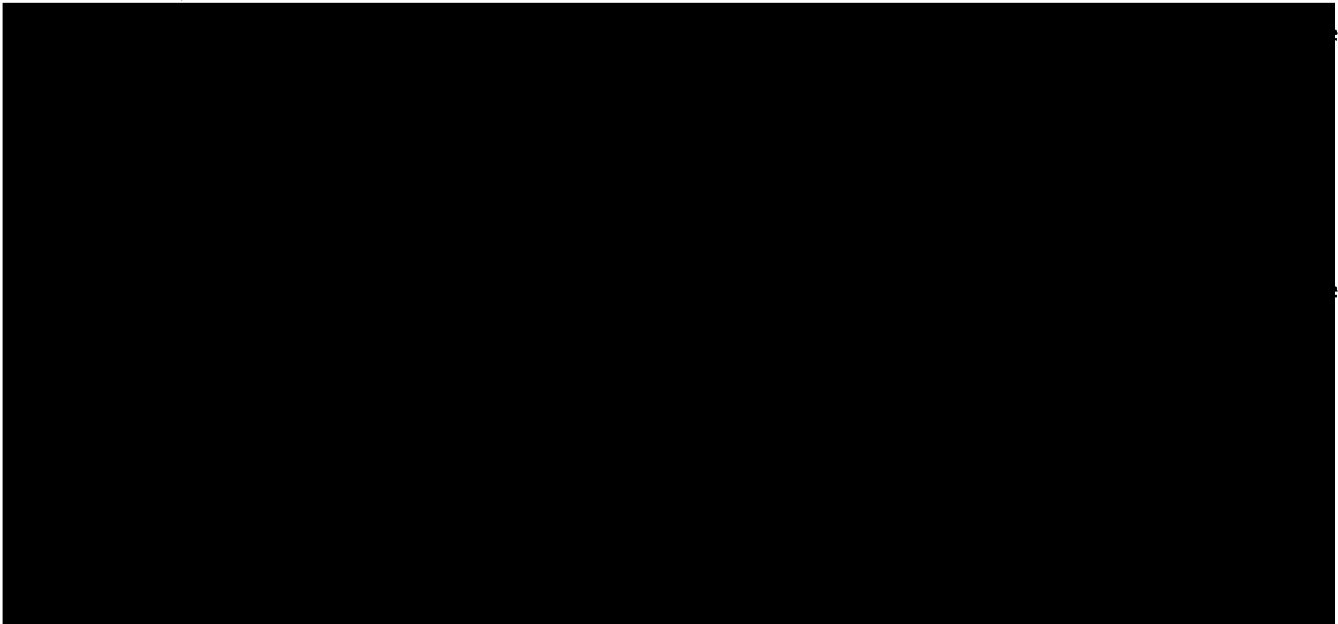
We are not launching any full-scale promotion effort to improve our public image. However, I do a good deal of this. For example, I am going to New York this evening to speak to the Economic Club there. General Walters does a good deal of this also, as well as some analysts in the Agency.

What is the Agency's role in the SALT Negotiations?

The negotiations depend on the Agency for its answers and projections. There appears to be a real effort for a SALT agreement during 1975, prior to the election in

1976. The verification of an agreement will be extremely difficult as well as will be the symmetry. We have certainly raised the points about supposed violations, but you're dealing with a culture here, so its very difficult. We must convince the Soviets to be more open and less secretive.

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Midcareer Course Co-Chairman